

AMENDED IN ASSEMBLY APRIL 21, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 375

Introduced by Assembly Member Bermudez
(Coauthor: Assembly Member Wiggins)
(Coauthor: Senator Ortiz)

February 14, 2003

An act to add and repeal Section 20901.5 of the Government Code, relating to state employees' retirement, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 375, as amended, Bermudez. State employees' retirement: early retirement incentive.

The Public Employees' Retirement Law authorizes the Governor, in certain circumstances, to issue an executive order granting specified state employees an additional 2 years of service credit, for purposes of calculating retirement benefits, if those employees retire within the period designated in the executive order and if other conditions are met. *Upon retirement, those employees receive credit for unused sick leave, as specified.*

This bill would grant specified state employees *credit for an additional 2 years of service—credit or for unused vacation or annual leave, as specified*, if those employees retire within a period, to be designated by the Director of Finance, during the 2003–04 fiscal year and if other conditions are met.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 20901.5 is added to the Government
2 Code, to read:

3 20901.5. (a) Notwithstanding any other provisions of this
4 part, an additional two years of service shall be credited to state
5 members, other than university or school members, if the
6 following conditions exist:

7 (1) The member meets the service requirements of Section
8 21060 or 21074.

9 (2) The member retires for service during the period designated
10 by the Director of Finance, which period shall commence on a date
11 after the effective date of this section and shall expire on a date
12 prior to July 1, 2004. The Director of Finance shall make that
13 designation within 15 days after the effective date of this section.

14 ~~(3) The appointing power, as defined in Section 18524,~~
15 ~~transmits~~

16 *(b) In addition to the additional service credited pursuant to*
17 *subdivision (a) and notwithstanding any other provision of law, a*
18 *state member who retires pursuant to this section shall be credited*
19 *at his or her retirement with 0.004 year of service credit for each*
20 *unused day of vacation or annual leave certified to the board by*
21 *the employer. The certification shall report only those days of*
22 *unused vacation or annual leave that were accrued by the member*
23 *during the normal course of his or her employment. Reports of*
24 *unused days of vacation or annual leave are subject to audit and*
25 *retirement benefits may be adjusted if improper reporting is found.*
26 *Until receipt of the certification from the employer, the board may*
27 *pay an estimated allowance pursuant to this section. At the time the*
28 *certification is received, the member's retirement allowance shall*
29 *be adjusted to reflect any necessary changes.*

30 *(c) In addition to any and all other contributions to the*
31 *retirement fund, the state shall transmit to the retirement fund an*
32 *amount determined by the board that is equal to the actuarial*
33 *equivalent of the difference between the allowance ~~the member a~~*
34 *member described in subdivision (a) receives after the receipt of*
35 *service credit under this section and the amount the member would*

1 have received without that service credit. The transfer to the
2 retirement fund shall be made in a manner and time period
3 ~~acceptable to the employer and the board. The appointing power~~
4 *acceptable to the state and the board. The state* shall make the
5 payment with respect to all eligible employees who retire pursuant
6 to this section.

7 ~~(b)–~~

8 (d) As used in this section, “state member” means a state
9 employee who is employed in a job classification, department, or
10 other organizational unit designated by the appointing power, as
11 defined in Section 18524.

12 ~~(e)–~~

13 (e) The amount of service credit ~~shall be two years regardless~~
14 ~~of credited service, but~~ *acquired under this section* may not exceed
15 the number of years intervening between the date of the member’s
16 retirement and the date the member would be required to be retired
17 because of age.

18 ~~(d)–~~

19 (f) Any member who qualifies under this section, upon
20 subsequent reentry to this system shall forfeit the service credit
21 acquired under this section.

22 ~~(e)–~~

23 (g) This section is not applicable to any member otherwise
24 eligible if the member receives any unemployment insurance
25 payments arising out of employment with an employer subject to
26 this part during a period extending one year beyond the effective
27 date of this section or if the member is not eligible to retire without
28 the additional credit available under this section.

29 ~~(f)–~~

30 (h) *An appointing power, as defined in Section 18524, in order*
31 *to achieve economies following the retirement of state members*
32 *pursuant to this section, may eliminate positions within the*
33 *department or agency, as determined by the appointing power. The*
34 *positions eliminated need not include the specific positions*
35 *vacated by the state members upon their retirement under this*
36 *section.*

37 (i) This section shall become inoperative on July 1, 2004, and,
38 as of January 1, 2005, is repealed, unless a later enacted statute that
39 is enacted before January 1, 2005, deletes or extends the dates on
40 which it becomes inoperative and is repealed.

1 SEC. 2. This act is an urgency statute necessary for the
2 immediate preservation of the public peace, health, or safety
3 within the meaning of Article IV of the Constitution and shall go
4 into immediate effect. The facts constituting the necessity are:

5 In order to realize the economies resulting from the early
6 retirement of state employees and to thereby decrease the budget
7 shortfall in the 2003–04 fiscal year, it is necessary that this act take
8 effect immediately.

